

Sanitized - Approved For Release : CIA-RDP82-00457R004

INTELLOFAX 11

INFORMATION REPORT

CD NO.

~~CONFIDENTIAL~~

COUNTRY China

DATE DISTR. 10 JAN 50

SUBJECT Political Conditions in Manchuria

NO. OF PAGES 2 25X1A2g

PLACE ACQUIRED 25X1A6a

NO. OF ENCLS.
(LISTED BELOW)

DATE OF INFO

SUPPLEMENT TO
REPORT NO.

25X1X6

1. Chinese visitors in Manchuria are not allowed to see anything of importance, and the extent of Russian domination of the country is disillusioning to them. Visitors have seen, however, the following conditions.
 - a. Every station-master on the North Eastern railway system is a Russian.
 - b. Out of nine heavy iron works set up by the Japanese in Manchuria only two (at Anshan) are working to capacity. Machinery for the other seven has been transported to Russia and has not yet been returned. A large proportion of heavy industrial products also were sent straight to Russia, and Russia paid nominal amounts for them to the Northeast Government.
 - c. The Police force contains Russian sergeants and officers.
 - d. In Dairen the garrison is Chinese, but a Russian is at every guard post.
 - e. Considerable resentment is felt by the Chinese at the higher rates of pay given to Russians as against local officials.**
 - f. Russians are planning a large scale colonization of Manchuria by Soviet subjects from Siberia.
2. The main burden of CHOU En Lai's conversation with at least one friend with foreign contacts in Shanghai was how British and American recognition might be expedited with the object of off-setting growing Russian domination. CHOU En Lai also stated that he and several other members of the Government would have preferred to have moved the capital from Peking to Hanking in order to lessen Russian domination, and to establish it in a more central position, but they doubted whether they would be able to unify the whole country owing to Russian pressure.
3. CHOU further expressed his preference for British democratic principles. He said China also requires American equipment. It has been necessary for the Communist Government to ally themselves closely with the Russians because of Russian support for their revolution; but he and other leaders realized that American equipment was more suitable to their needs than

CLASSIFICATION ~~SECRET~~ CONTROL - U.S. OFFICIALS ONLY

STATE	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	NSRB	<input checked="" type="checkbox"/>	DISTRIBUTION													
	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	FBI															

~~CONFIDENTIAL~~

Document No.	4
No Change in Class.	<input type="checkbox"/>
Declassified	<input type="checkbox"/>
Class. Changed To	TS S C
Auth.	HR 70-2
File No.	100-0057586-1900490006-2
Page	034

~~CONFIDENTIAL~~
CENTRAL INTELLIGENCE AGENCY

25X1A2g

- 2 -

anything that the Russians could produce.

25X1X6 ~~_____~~ Comment. As far as the Chinese Authorities are concerned, they have no wish to provoke incidents with foreign embassies or consulates. They realize that such bodies seek information and report, but they accept this as part of their normal duties.

25X1A6a ~~_____~~ Comment. A Chinese with contacts in the Foreign Affairs Department of the Military Control Commission in Shanghai learned that they did not wish to take action against the continued existence of the American Consulate in Shanghai.

25X1A6a * ~~_____~~ Comment. Another usually reliable source. 25X1X6

25X1X6 ~~_____~~ comments as follows on the large degree of independence in the administration of Manchuria: If orders are to be given on Manchurian matters by Chinese Communist Party officials in Peiping, these orders must be issued on the highest level. Liaison on middle and lower levels does not exist.

25X1A2g ** ~~_____~~.

~~SECRET/CONTROL - U. S. OFFICIALS ONLY~~

~~CONFIDENTIAL~~